

Economy Committee

10.00am, Friday, 13 February 2015

Employability and Skills: Budget Pressures Update

Item number	7.7
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides an update on the action taken to address the budget in the Employability and Skills budget, as agreed at Committee on 18 December 2015.

In addition to the actions proposed in December report, further savings and income have been identified to balance this budget.

Links

Coalition pledges	P7 and P29
Council outcomes	CO2 , CO6 , CO8 , CO9 , CO24 , CO26 , and CO27
Single Outcome Agreement	SO1 and SO3

Employability and Skills: Budget Pressures Update

Recommendations

- 1.1 To note the progress made in achieving a balanced position in regard to Employability and Skills budget.
- 1.2 To acknowledge the support from all other Council services who employ apprentices in accepting the need for Employability and Skills to retain the contract income associated with the Modern Apprenticeship (MA) programme.

Background

- 2.1 Following the report to Economy Committee on 18 December 2014 which highlighted an anticipated budget gap of £582,298 before identified action was approved or implemented.
- 2.2 The report recommendations were approved allowing the budget gap to be projected at £192,653.
- 2.3 This report provides an update, which outlines the further action taken that will result in the Employability and Skills budget achieving a balanced position for financial year end.

Main report

- 3.1 The report to Economy Committee on 18 December 2014 highlighted the budget pressures faced by Employability and Skills, and described some actions that would allow the initial deficit be reduced from £582,298 to £192,653.
- 3.2 Within the measures introduced in that report was a proposal to retain the contract income generated from managing and running the MA programme, allowing £115,452 be retained in Economic Development.
- 3.3 The consultation on this has concluded and services are broadly supportive and have accepted this approach.
- 3.4 The running of the apprenticeship programme still offers considerable support to departments as outlined in the briefing note and includes:
 - Bidding and managing the SDS contract
 - Providing guidance and support on establishing apprenticeship opportunities within service areas

- Supporting recruitment of apprentices
 - Managing contracts and payments to training providers relating to apprentices achieving qualifications
- 3.5 The majority of service managers who have responded to a survey issued as part of the consultation have been understanding and supportive of the Employability and Skills retaining the MA income.
- 3.6 Other internal measures in regard to re-profiling of budgets and achieving further leverage have allowed the budget gap to be addressed and a balanced position will be achieved.

Measures of success

- 4.1 Employability and Skills programme can continue to support young people access training and employment opportunities both within council, as part of the MA programme or with other employers through Inspiring Young People, JET and other Edinburgh Guarantee related interventions.

Financial impact

- 5.1 The immediate financial pressures have been removed and work continues to assure future programmes sustainability under the constraints on the public purse.

Risk, policy, compliance and governance impact

- 6.1 No further risks are anticipated relating to the subject of this report in the current financial year.

Equalities impact

- 7.1 The reduction in funding for Modern Apprenticeships and other employability work will have a negative impact on our ability to support young people in to work with the council. This could impact on the number of young people being employed by the council and have a negative affect on equalities targets.

Sustainability impact

- 8.1 There are no sustainability issues arising from the content of this report.

Consultation and engagement

- 9.1 Consultation with service departments has taken place in regard to the changes in MA funding.

Background reading/external references

Greg Ward

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Links

Coalition pledges	<p>P7 – Further develop the Edinburgh Guarantee to improve work prospects for school leavers.</p> <p>P29 – Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work.</p>
Council outcomes	<p>CO2 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.</p> <p>CO6 – Our children’s and young people’s outcomes are not undermined by poverty and inequality.</p> <p>CO8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <p>CO9 – Work in Partnership with Scottish Government to release more funds for Council homes for rent.</p> <p>CO24 – Maintain and embrace support for our world-famous festivals and events.</p> <p>CO26 – Establish a policy of no compulsory redundancies.</p> <p>CO27 – Seek to work in full partnership with Council staff and their representatives.</p>
Single Outcome Agreement	<p>SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.</p> <p>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential.</p>
Appendices	